

House File 145 - Introduced

HOUSE FILE _____
BY MAY

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the taxation of a homestead owned by a
2 disabled veteran and including effective date and
3 applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1316YH 83
6 md/sc:mg/5

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1 1 Section 1. Section 425.15, Code 2009, is amended to read
1 2 as follows:
1 3 425.15 DISABLED VETERAN TAX CREDIT.
1 4 If the owner of a homestead allowed a credit under this
1 5 chapter is a veteran of any of the military forces of the
1 6 United States, who acquired the homestead under 38 U.S.C. }
1 7 21.801, 21.802, prior to August 6, 1991, or 38 U.S.C. } 2101,
1 8 2102, the credit allowed on the homestead from the homestead
1 9 credit fund shall be the entire amount of the tax levied on
1 10 the homestead. The credit allowed shall be continued to the
1 11 estate of a veteran who is deceased or the surviving spouse
1 12 and any child, as defined in section 234.1, who are the
1 13 beneficiaries of a deceased veteran, so long as the surviving
1 14 spouse remains unmarried. This section is not applicable to
1 15 the holder of title to any homestead whose annual income,
1 16 together with that of the titleholder's spouse, if any, for
1 17 the last preceding twelve-month income tax accounting period
1 18 exceeds thirty-five thousand dollars. For the purpose of this
1 19 section "income" means taxable income for federal income tax
1 20 purposes plus income from securities of state and other
1 21 political subdivisions exempt from federal income tax. A
1 22 veteran or a beneficiary of a veteran who elects to secure the
1 23 credit provided in this section is not eligible for any other
1 24 real property tax exemption provided by law for veterans of
1 25 military service. If a veteran acquires a different
1 26 homestead, the credit allowed under this section may be
1 27 claimed on the new homestead unless the veteran fails to meet
1 28 the other requirements of this section.
1 29 Sec. 2. Section 427.1, Code 2009, is amended by adding the
1 30 following new subsection:
1 31 NEW SUBSECTION. 37. HOMESTEAD OF A DISABLED VETERAN. A
1 32 homestead, as defined in section 425.11, subsection 3, owned
1 33 by a disabled veteran or the disabled veteran's spouse,
1 34 subject to the requirements of this subsection.
1 35 a. (1) If the veteran has a disability rating of at least
2 1 seventy percent and less than one hundred percent, as
2 2 certified by the United States veterans administration, the
2 3 first one hundred and fifty thousand dollars of the
2 4 homestead's assessed value shall be exempt from taxation.
2 5 (2) If the veteran has a disability rating of one hundred
2 6 percent, as certified by the United States veterans
2 7 administration, the first three hundred thousand dollars of
2 8 the homestead's assessed value shall be exempt from taxation.
2 9 b. To qualify for the exemption under this subsection, all
2 10 of the following conditions must be met:
2 11 (1) The veteran was honorably discharged from the United
2 12 States armed forces.
2 13 (2) The veteran is certified by the United States veterans
2 14 administration as having a service-connected disability. The
2 15 certification shall specify the disability rating of the
2 16 veteran.
2 17 c. The veteran shall file with the county assessor not
2 18 later than February 1 of the year for which the exemption is
2 19 requested, a statement upon forms to be prescribed by the

2 20 director of revenue. Upon the filing and allowance of the
2 21 claim, the exemption shall be allowed on the disabled
2 22 veteran's homestead for successive years without further
2 23 filing as long as the property is legally and equitably owned
2 24 and used as a homestead by the disabled veteran on July 1 of
2 25 each of those successive years. The exemption allowed under
2 26 this subsection shall be continued to the estate of a disabled
2 27 veteran who is deceased or the surviving spouse and any child,
2 28 as defined in section 234.1, who are the beneficiaries of the
2 29 deceased veteran, so long as the surviving spouse remains
2 30 unmarried.

2 31 d. A property qualifying for an exemption under this
2 32 subsection is not eligible for the credit under section
2 33 425.15.

2 34 Sec. 3. IMPLEMENTATION. Section 25B.7 does not apply to
2 35 the property tax exemption enacted in this Act.

3 1 Sec. 4. DEADLINE EXTENSION. Notwithstanding the filing
3 2 deadline in section 427.1, subsection 37, as enacted by this
3 3 Act, a statement that is requesting an exemption for property
3 4 taxes due and payable in the fiscal year beginning July 1,
3 5 2010, shall be filed not later than October 1, 2009.

3 6 Sec. 5. EFFECTIVE AND APPLICABILITY DATES. This Act,
3 7 being deemed of immediate importance, takes effect upon
3 8 enactment and applies to property taxes due and payable in
3 9 fiscal years beginning on or after July 1, 2010.

3 10 EXPLANATION

3 11 This bill provides a property tax exemption for a homestead
3 12 owned by a disabled veteran or the disabled veteran's spouse.
3 13 Under the bill, if the veteran has a disability rating of at
3 14 least 70 percent and less than 100 percent, the first \$150,000
3 15 of the homestead's assessed value is exempt from taxation. If
3 16 the veteran has a disability rating of 100 percent, the first
3 17 \$300,000 of the homestead's assessed value is exempt from
3 18 taxation.

3 19 To be eligible, the veteran must have been honorably
3 20 discharged from the United States armed forces and must be
3 21 certified by the United States veterans administration as
3 22 having a service-connected disability. The bill requires the
3 23 disabled veteran to file a claim with the county assessor not
3 24 later than February 1 of the year for which the exemption is
3 25 requested. The bill allows the exemption for successive years
3 26 without further filing as long as the property is legally and
3 27 equitably owned and used as a homestead by the disabled
3 28 veteran on July 1 of each of those successive years. The bill
3 29 also allows the exemption to continue to the estate of a
3 30 disabled veteran who is deceased or the surviving spouse and
3 31 any child who are the beneficiaries of the deceased veteran,
3 32 so long as the surviving spouse remains unmarried.

3 33 The bill provides that a property qualifying for an
3 34 exemption under the bill is not eligible for the disabled
3 35 veteran tax credit under Code section 425.15.

4 1 Code section 25B.7 does not apply to the property tax
4 2 exemption in the bill. That Code section requires state
4 3 funding to implement a property tax exemption.

4 4 The bill updates references to federal veterans' benefits
4 5 programs under Code section 425.15.

4 6 The bill provides a filing deadline of October 1, 2009, for
4 7 an exemption applicable to property taxes due and payable in
4 8 the fiscal year beginning July 1, 2010.

4 9 The bill takes effect upon enactment and applies to
4 10 property taxes due and payable in fiscal years beginning on or
4 11 after July 1, 2010.

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